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INTRODUCTION

Roscommon County Prosecuting Attorney (PA) had a contract with the Michigan Family Independence Agency (FIA) to establish paternity and to obtain support orders for all cases where the Roscommon County PA had jurisdiction. The Roscommon County PA billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Roscommon County PA for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Roscommon County PA for the period October 1, 1999 through September 30, 2000. Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We performed the audit tests that we determined were necessary to determine if the costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Roscommon County PA overbilled the FIA for some line items. The State share of the net amount overbilled was \$2,248. (See Schedule A.) We also found that some staff did not properly document their time.

Our report recommends the Family Services Administration initiate the process to recoup a total of \$2,248 from the Roscommon County PA. Our report also recommends that 100% IV-D staff document their time in accordance with the PAAM PAR requirements.

PA RESPONSE

The PA accepted all findings.

FINDINGS

“In-Lieu of Insurance” Payroll Amount

1. The Roscommon County PA overbilled the FIA \$1,995 for “In-Lieu of Insurance” included in both payroll and also listed as a fringe benefit cost on the personnel worksheets. The fringe benefit cost was disallowed. (See Schedule A.)

Assistant Prosecutor’s Time Documentation

2. The Roscommon County Assistant Prosecutor did not document time in accordance with Prosecuting Attorney Letter 99-004 (PA 99-004). The Roscommon County PA chose to use the PAAM Personal Activity Report (PAAM PAR) that is allowed under PA 99-004. The PAAM PAR report instructions require that: time be entered as each IV-D activity begins and ends, all time that an individual is paid for must be reported, and the report must be signed and dated. The Assistant Prosecutor’s IV-D time was recorded by another staff person and the Assistant Prosecutor did not sign or date the report. No adjustment was done because, for purposes of this audit only, the time recorded by the other staff person is considered to be a record of the time spent. The PA stated in his response to our draft report that the Assistant Prosecutor’s time, as billed, was accurate and corrective action has been taken to correct for deficiencies in the documentation.

Postage

3. The Roscommon County PA overbilled the FIA \$509 for postage costs. Postage was billed as part of other direct costs. Postage costs were also billed as part of the central

services costs. The postage costs billed as part of other direct costs were disallowed.
(See Schedule A.)

Computer Software Expense

4. The Roscommon County PA overbilled the FIA, in August 2000, \$489 for computer software expense. The computer software expense related to non-IV-D PA activities.
(See Schedule A.)

PAR for 100% IV-D Staff

5. 100% IV-D staff did not document their time in accordance with the PAAM PAR requirements described above under Finding # 2. The PAAM PAR requirements state that 100% IV-D staff should fill out the report, indicate they are 100% IV-D, and sign the report. No adjustment is done because the 100% IV-D staff appeared to be specific individuals assigned to IV-D work separate from the other PA staff.

WE RECOMMEND the Family Independence Services Administration initiate the process to recoup a total of \$2,248 from the Roscommon County PA.

WE ALSO RECOMMEND that the Family Independence Services Administration remind Roscommon County PA of the requirement that 100% IV-D staff document their time in accordance with the PAAM PAR requirements.

| Finding # | Line Item | Audit Period | (Over)/Under Billed Gross Amount | IV-D % | (Over)/Under Billed IV-D Amount | Due (State) County |
|--|--------------|---------------------|----------------------------------|---------|---------------------------------|--------------------|
| 1 | Personnel | 10/1/1999-9/30 2000 | (1,995) | 100.00% | \$ (1,995) | |
| 3 | Other Direct | 10/1/1999-9/30 2000 | (509) | 100.00% | \$ (509) | |
| 4 | Other Direct | 10/1/1999-9/30 2000 | (489) | 100.00% | \$ (489) | |
| Grand Total of the IV-D Audit Adjustments | | | | | <u>\$ (2,993)</u> | |

Calculation of the Payment Due the (State) County

| | | |
|---|-----------------|----------------|
| | Total | |
| Audited IV-D Amount | 61,080 | |
| IV-D Amount Used for the Payments Actually Made | <u>(64,073)</u> | |
| IV-D Audit Adjustment Due (State) County | (2,993) | |
| State Share % | <u>75.12%</u> | |
| | | <u>(2,248)</u> |